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Foreign Aid And Dixon Yates

by Victor Perlo

RIVALRY for the top foreign aid jobs brings out harsh truths about the Administration and its international program.

Kennedy established the umpteenth new department, dubbed Agency for International Development, to consolidate foreign aid. Henry R. Labouisse, already appointed by Kennedy to head the predecessor agency, was naturally expected to get the top job. Instead it was offered, tentatively, to George D. Woods, chairman of the First Boston Corp.



Whereupon a minor scandal erupted, because Woods was key man in the finally-frustrated attempt to put over the Dixon-Yates deal for his utility companies. This is the kind of issue on which liberal Senators take a stand, while defaulting on life-and-death matters. Wilson, Humphrey, and Morse spoke in the Senate. Democrats deplored, and Kennedy's plans were blown awry.

Who are the rivals? Labouisse, a prewar corporate lawyer, then moved to government and the World Bank. From a wealthy New Orleans banking family, he married into the Singer Sewing Machine fortune. He specialized in French relations, especially the Marshall Plan and, after his wife's death, married Eve Curie. Prominent in various Democratic administrations, he was a contender for the top foreign aid job under Kennedy.

Republican Woods is a key man of the Wall Street international financial oligarchy; no mere common clipper, but an active organizer of the direct exploitation of working people all over the capitalist world.

First Boston, joining Rockefeller, Boston, and Wall Street interests, shares domination of U. S. investment banking with Morgan Stanley.

Woods is also a director of Chase International Investment Corp., inner-circle subsidiary of the Rockefeller bank, organized under the Edge Act to conduct abroad operations illegal at home. It specializes in underdeveloped country investments, in collaboration with U. S. industrial corporations, and reviewed 156 projects in 49 countries last year.

The Rockefellers are the largest foreign investment interest in the world. They combine super-organized and automated extraction of oil with massive bribery of local officials, paternalism to selected local workers, and liberal use of U. S. armed forces, bases and CIA-sponsored coups.

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WOODS is preferred to Labouisse not because he belongs to 8 society clubs instead of 4. It is like the choice of Rusk over Stevenson, the hawk-billed business operator over the wealthy liberal. It is another post to the concentration of Rockefeller influence at the top. We now have — in the latter Foundation President Rusk, Standing Oil Order, Dulles, his partner Arthur Hays Sulzberger, to the nuclear test ban, international economic domination, China, Mexico, and elsewhere — the Rockefeller empire, the main force in the world. The Lincoln Club, the main force in the world.

Why does no Senator or leading newspaper dare to criticize this one-family dictatorship? One of Woods' comparatively few directorships is on the N. Y. Times. He is the only outsider on the board of this family corporation. I don't know why he got on the board two years ago. I appreciate the Times' frankness in mentioning the fact. But I cannot admire its editorial position, which is to heap praise on both rivals, and especially on Woods, and to criticize Kennedy for "shillyshallying" instead of promptly appointing one — presumably Woods — without prior soundings.

The Times concedes its real fear — opening up serious criticism of the entire foreign aid program. Washington had tried hard to change the program's appearance to meet socialist competition propaganda-wise, if not in substance.

The new agency's name stresses what underdeveloped countries want but haven't been able to get from previous U. S. aid. Washington supplied armaments, and handouts to local big-wigs and Wall Street bankers. The latest big loan to Brazil is to enable that country to pay off vast debts to Wall Street banks, incurred for monopoly-priced oil imports, transfer of U. S. corporate investment profits, shipping charges, etc. The Alliance for Progress feigns support for long-term development plans, land reform, tax reform, etc., in Latin America. Reviewing this in its *Latin American High-Lights*, the Chase Manhattan Bank warns:

While some kinds of social reform are undoubtedly in the long-run interest of most Latin American nations, such reforms are not likely to speed economic growth, and could retard it for awhile. It finds "hopeful" in the program, the emphasis on U. S. private investment. Presumably, it concurs in this, in the Kennedy administration's foreign aid bill providing priority to countries "which share the view of the U. S. in the world crisis", and in the cut-off of negotiations with Yugoslavia and Poland following the Belgrade conference.

The President resolved the job conflict by appointing Fowler Hamilton, of Cleary, Gottlieb, Steen, and Hamilton, one of the rising Wall Street law firms but still not quite in the top circle. Missouri-born Hamilton investigated war frauds during World War II, and aircraft procurement in 1946. But the Trumanesque aura associated with these activities offers no promise of improvement in the foreign aid program.

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THE FOLLOWING was inadvertently omitted from Victor Perlo's column of Sept. 17:

Farbwerke Hoechst invested 27 million DM last year in the U. S. holding company, International Chemical, which brought up the Chemical drug company. Lloyd Brothers, owns a complete Hoechst Chemical, and others. Hoechst invested 23 million DM in the Canadian subsidiary Trans-American Chemicals Ltd., for penetration in Latin America.

The third Farben company, Badische Anilin und Soda Fabrik, owns jointly with Dow Chemical the Dow Badische Chemical Corp. Its growing Freeport, Texas facility is a major producer of acrylic acid and other synthetics.

During World War II the U. S. Alien Property

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